

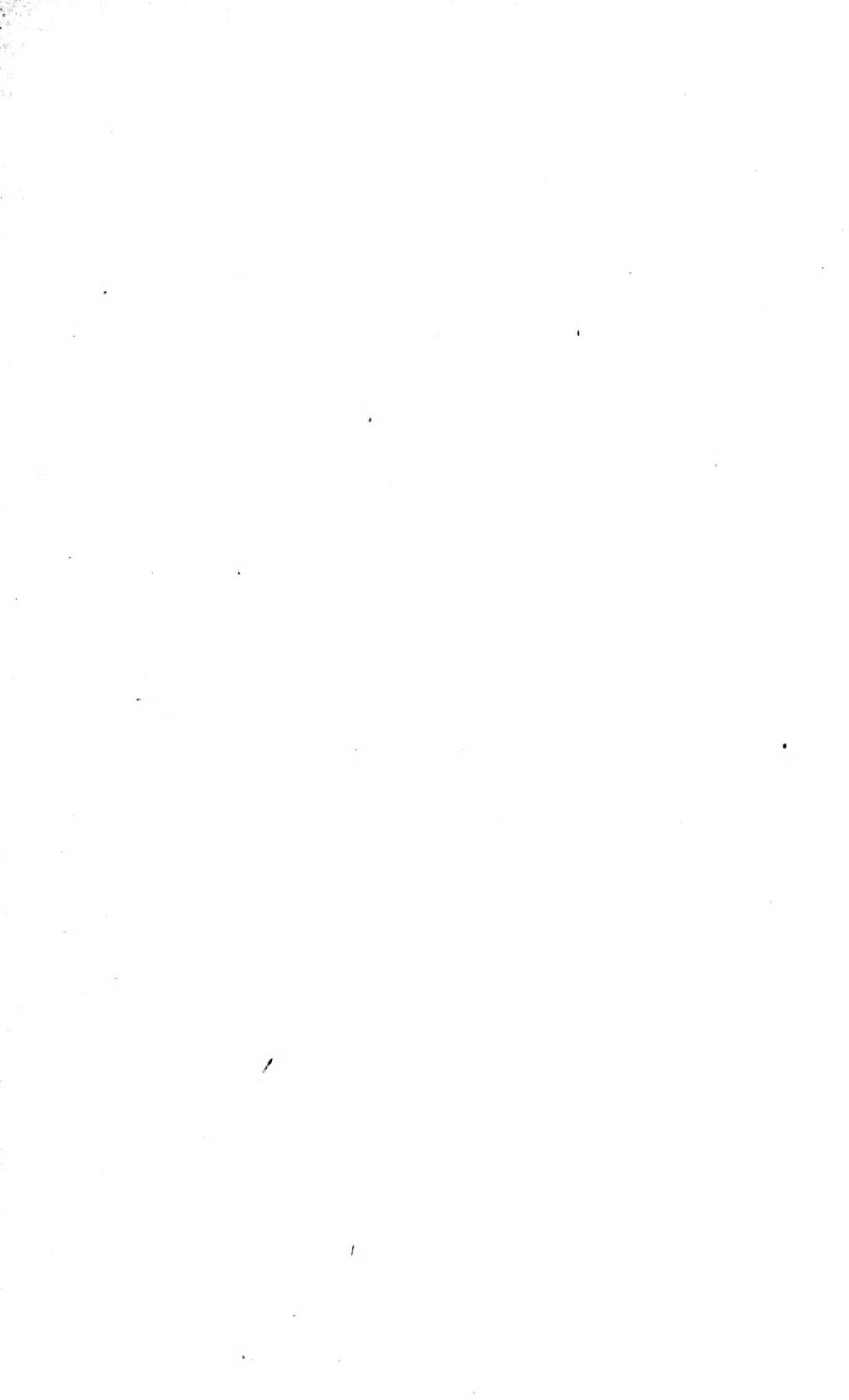
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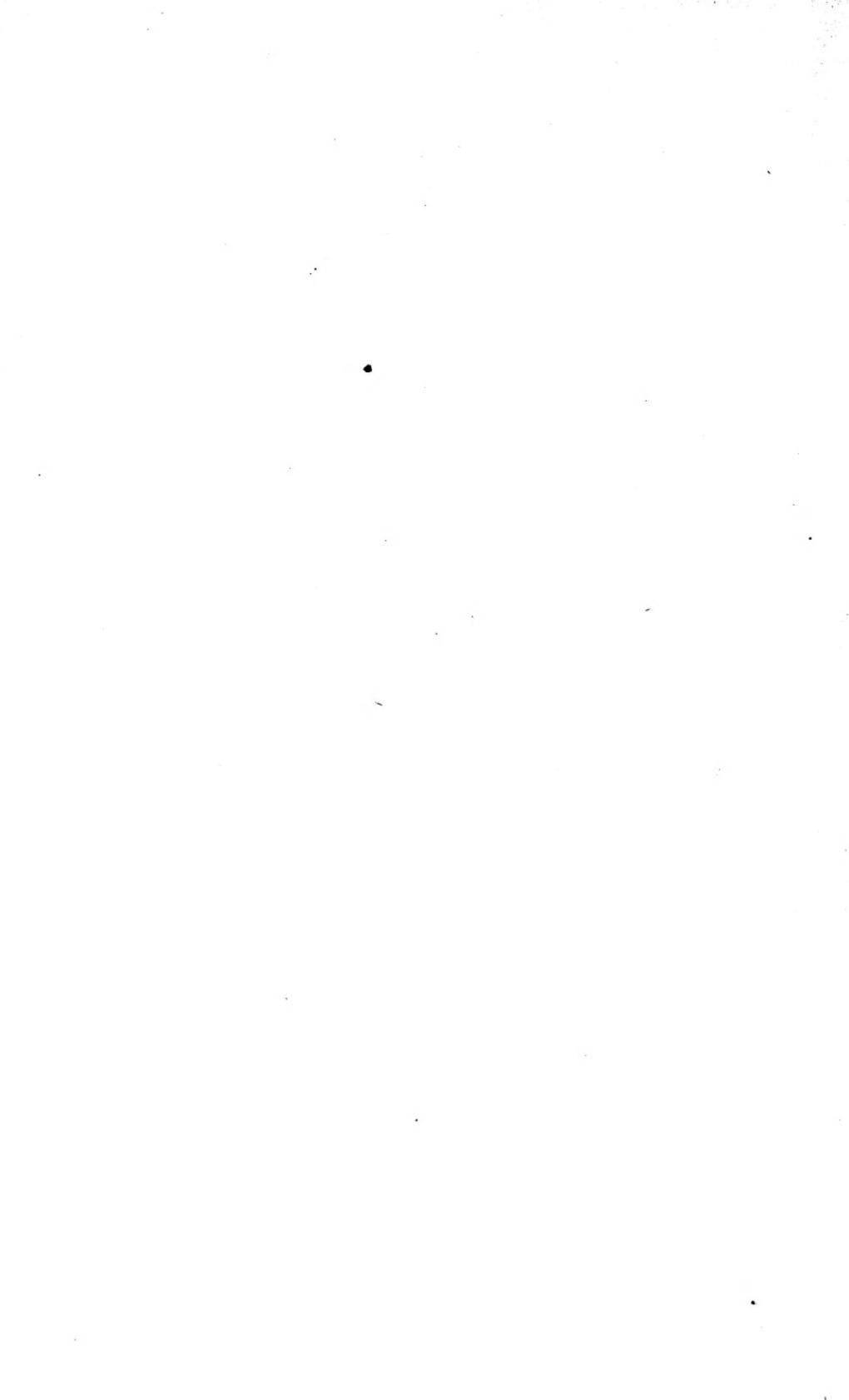


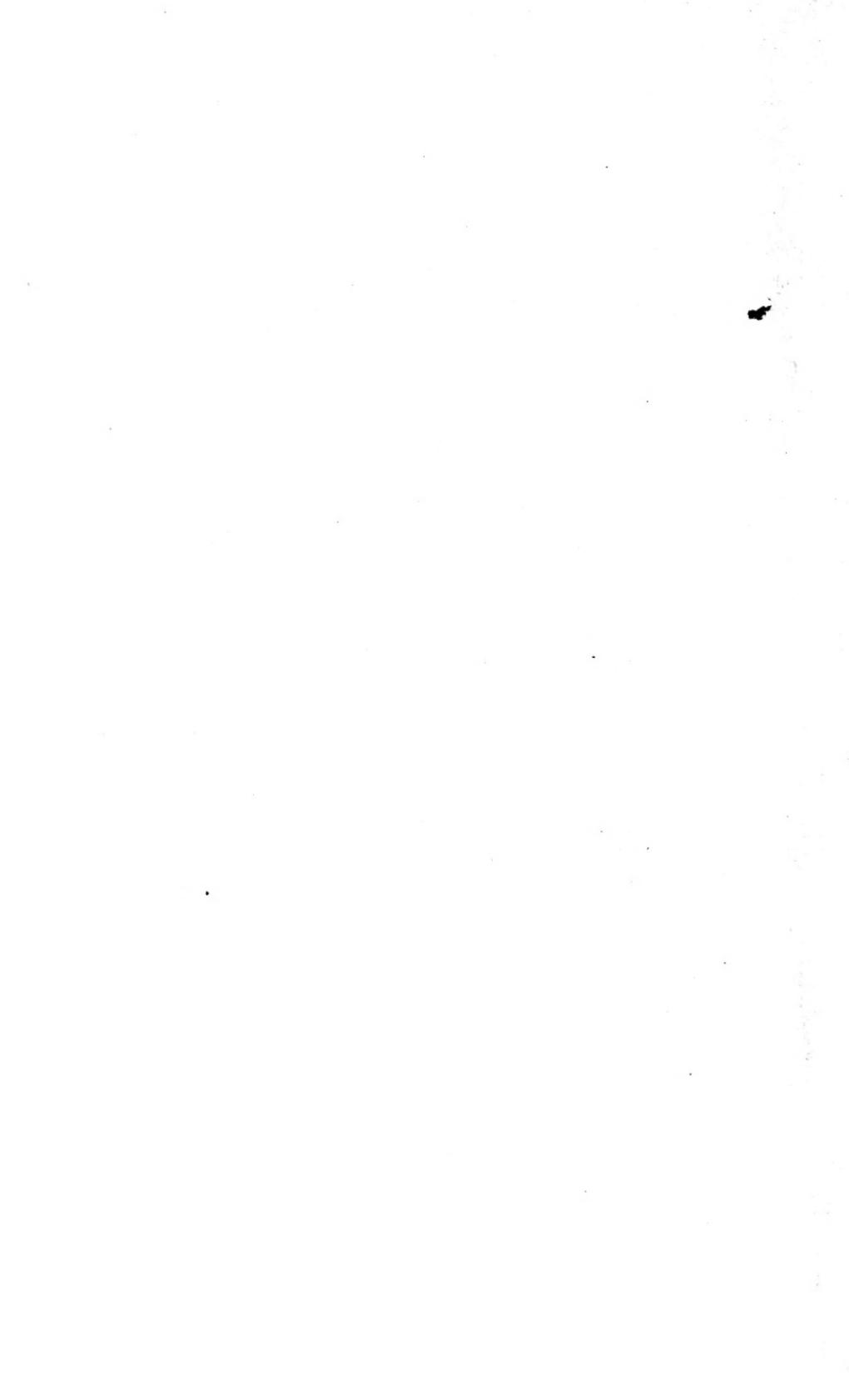
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The Application of Capital to Land

by

Sir Edward West



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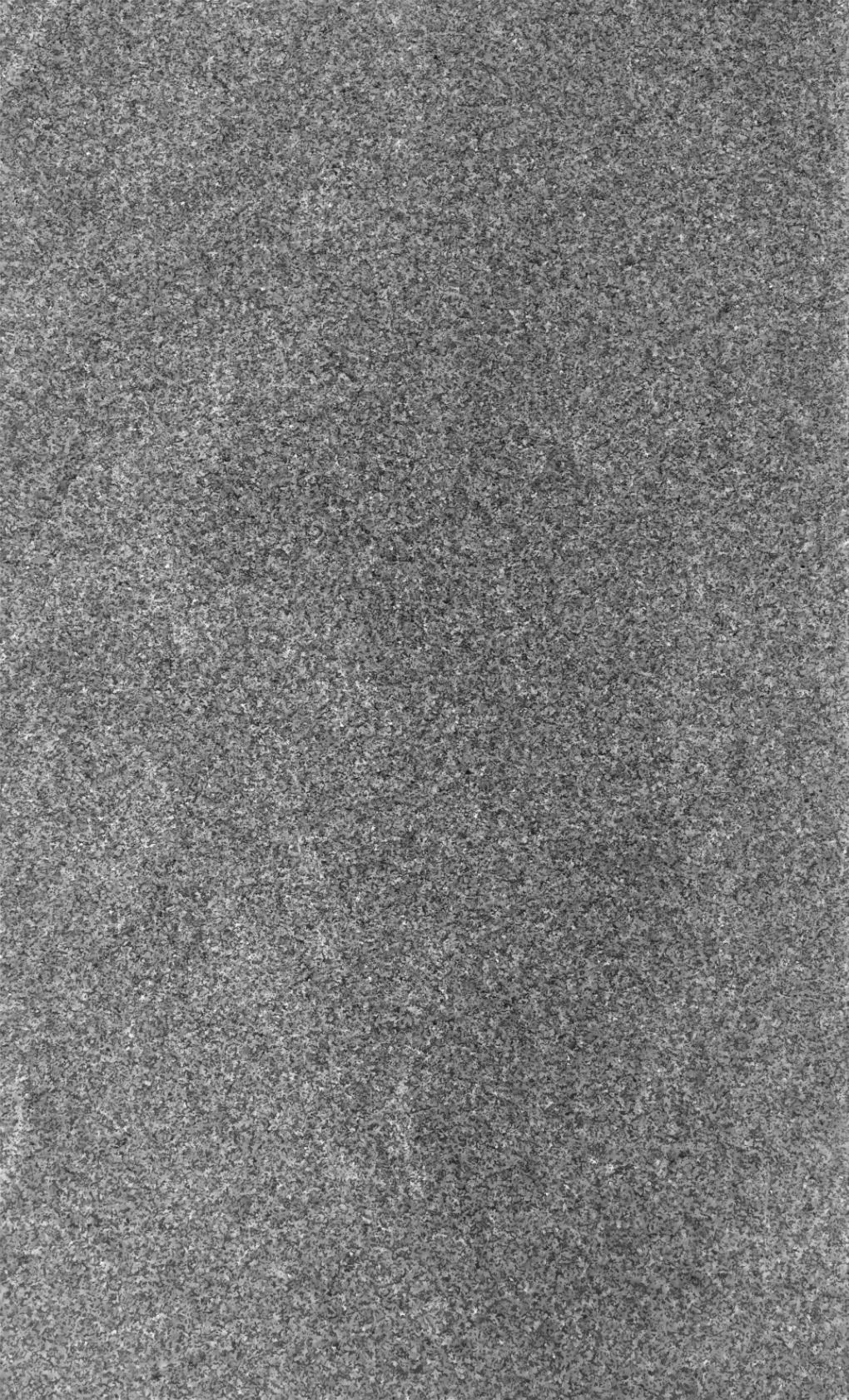
Edited by

JACOB H. HOLLANDER, PH. D.

Associate Professor of Political Economy

Johns Hopkins University

3



A Reprint of Economic Tracts

Edited by

JACOB H. HOLLANDER, PH. D.

Associate Professor of Political Economy
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Sir Edward West

on

The Application of Capital to Land

1815

HB 161
W4

General

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INTRODUCTION

A careful student of the history of economic theories has described Sir Edward West as "the first, though not the name-father and greatest of the 'Ricardian' school,"¹ and has added in further explanation, "It is impossible to read West's pamphlet without seeing that the form in which the 'law of diminishing returns' was subsequently taught, and the phraseology in which it was expressed, are far more due to him than is imagined by those who only know him as the subject of a civil reference in Ricardo's preface."²

This comparative neglect dates back to West's contemporaries. "I have read his book with attention, and I find that his views agree very much with my own," wrote Ricardo to Malthus on March 9, 1815.³ In 1817, in the Preface (iv) to the "Principles of Political Economy and Taxation," Ricardo deliberately linked West with Malthus as having "presented to the world, nearly at the same moment, the true doctrine of rent." But a year later (September 18, 1818), his verdict expressed to Huches Trower was distinctly vaguer: "His pamphlet was ingenious, and he had a glimpse of the true doctrine of rent and profits."⁴ In Ricardo's subsequent writings, formal and informal, West is not again referred to. Malthus and James Mill make no mention of him. Even McCulloch, whose scent for anything like an 'anticipation' of an accepted doctrine was the keenest, merely speaks of the rent tracts of West and Malthus as "two pamphlets of extraordinary merit, published nearly at the same moment," and then summarily disposes of both by adding, "But the investigations of these gentlemen, though of great importance, were comparatively limited in their object."⁵ It was only at the

¹ Cannan, "A History of the Theories of Production and Distribution in English Political Economy from 1776 to 1848" (London, 1893), p. 279.

² *Ibid.*, p. 160.

³ "Letters of David Ricardo to Thomas Robert Malthus, 1810-1823" (ed. Bonar. Oxford: 1887), p. 63.

⁴ "Letters of David Ricardo to Huches Trower and others, 1811-1823" (ed. Bonar and Hollander. Oxford: 1899), p. 58.

⁵ McCulloch, "A Discourse on the Rise, Progress, Peculiar Objects, and Importance of Political Economy: containing an outline of a course of lectures on the principles and doctrines of that science" (Edinburgh, 1824), p. 65. Cf. also his "The Principles

hands of ready pamphleteers, like William Jacob⁶ and Arthur Young,⁷ that West was accorded a larger place, and this recognition was naturally enough transient.

Within a decade after its appearance, West's pamphlet, pseudonymous and probably of limited circulation, had been virtually forgotten. Even his "Price of Corn and Wages of Labour,"⁸ published in 1826 with its spirited claim to the discovery of other economic principles then already identified as Ricardian, failed apparently to receive the slightest attention. Thereafter West's name, like James Anderson's, appears in economic writing merely in a crass qualification of the familiar statement that the differential law of rent was put forth by Malthus and developed and applied by Ricardo.

Bare details of West's personal life have come down to us.⁹ He was born in St. Marylebone, Middlesex, in 1782,¹⁰ his family being well-connected and in part distinguished. He was educated at Harrow and Oxford, receiving the bachelor's degree in 1804, the master's title in 1807, and holding a fellowship in University College thereafter. He was called to the bar, and in 1817, published "A Treatise on Extents."¹¹ He relinquished academic

of Political Economy: with a sketch of the rise and progress of the science" (Edinburgh, 1825), p. 265, and "The Literature of Political Economy" (London, 1845), p. 33.

⁶ "A Letter to Samuel Whitbread, Esq. M. P., being a sequel to Considerations on the Protection required by British Agriculture; to which are added remarks on the publications of A Fellow of University College, Oxford; of Mr. Ricardo, and Mr. Torrens" (London, 1815).

⁷ "An Inquiry into the Rise of Prices in Europe, during the last twenty-five years, compared with that which has taken place in England; with observations on the effects of high and low prices" (London, 1815), published in "The Pamphleteer" (London), vol. vi, pp. 165-204.

⁸ "Price of Corn and Wages of Labour, with observations upon Dr. Smith's, Mr. Ricardo's and Mr. Malthus's doctrines upon those subjects; and an attempt at an exposition of the causes of the fluctuation of the price of corn during the last thirty years" (London, 1826).

⁹ See in particular the memoir in "The Annual Biography and Obituary: 1830" (London, 1830), the materials for which, we are told by the editor, "have been derived from a private and authentic source."

¹⁰ "Dictionary of National Biography" (ed. Lee), vol. ix, p. 329.

¹¹ "A Treatise of the Law and Practice of Extents in Chief and in Aid. With an appendix of forms of writs; affidavits for extents; pleadings to extents; rules of court; and table of fees" (London, 1817).

office and active legal practice, in which he had already attained a considerable measure of success, to accept the office of recorder of Bombay. He was knighted on July 5, 1822, and upon the establishment of the supreme court in 1824, was made chief justice. His two most important public acts were rejection of the Calcutta regulation for controlling the press, and reformation of the police of Bombay. He died at Poonah in August, 1828. An address, signed by a large body of natives and presented to the surviving judges of the presidency, extols West's personal and judicial virtues, notably his activity in connection with the admission of natives to jury service, and refers to a sum of money having been subscribed and made over to the Native Education Society for the establishment of "Chief Justice West's Scholarships and Prizes."

West's interest in political economy was sustained. We are told that he commenced its study shortly after leaving Oxford and that "it occupied his attention, more or less, until his death."¹² But with whatever zeal pursued, the study was distinctly an avocation. In publishing his first pamphlet in 1815, West yielded to the representations of friends that interest in other pursuits might perhaps injure his professional career and omitted his name from the title page. Acquaintance with Brougham, Ricardo and possibly Malthus,¹³ exerted no influence in this direction and it was not until the appearance of Ricardo's "Protection to Agriculture" in 1822, that West again attempted formal economic writing. This manuscript was taken with him to India in nearly finished form; but delays occurred and when it finally appeared in 1826 as "Price of Corn and Wages of Labour," the subject had lost much of its timeliness. West's final and most ambitious economic work was in preparation at the time of his death. We know nothing of it beyond what the author of the biographical memoir, referred to above, has written: "It would, probably, have amounted to a general treatise on the whole subject, and it had occupied his mind intensely for the greater part of his leisure, for more than a year preceding his death. He had received an offer from one of the most eminent publishers in London, to undertake the publication of it; and it is to be hoped that, at least, a large portion of the work has been left in a state which will admit of its being yet given to the world." It is at least interest-

¹² "The Annual Biography and Obituary: 1830" (London, 1830), p. 106.

¹³ "Letters of David Ricardo to Thomas Robert Malthus, 1810-1823" (ed. Bonar. Oxford: 1887) p. 63.

ing to conjecture that had his life been prolonged, or had circumstances marked out for him a less absorbing career than legal activity and far-removed judicial office, West's influence upon the development of English economic thought would have been considerable.

West's first pamphlet, like Malthus's rent tract, owes its formal publication to the corn-law controversies of 1813-1815. But to West as to Malthus the essential principle of increasing costs in agriculture had occurred "some years ago,"¹⁴ and we are again led to the conclusion that the genesis of the law of diminishing returns is referable to that extraordinary condition of British agriculture in the preceding decade, the conspicuous features of which—extension of cultivation and application of capital—were familiar to all students of economic conditions long before parliamentary blue-books gave them wide publicity.¹⁵

In the present edition the general appearance of the title page of the tract has been preserved, the original pagination has been indicated and a few annotations have been appended.

BALTIMORE, June, 1903.

¹⁴ See p. 9, below.

¹⁵ Cf. Introduction (p. 4) to the reprint of Malthus, "An Inquiry into the Nature and Progress of Rent, and the principles by which it is regulated" (ed. Hollander. Baltimore: 1903).

ESSAY
ON THE
APPLICATION OF CAPITAL
TO
LAND,
WITH
OBSERVATIONS
SHEWING THE
IMPOLICY
OF
ANY GREAT RESTRICTION OF THE
IMPORTATION OF CORN,
AND
THAT THE BOUNTY OF 1688 DID NOT LOWER THE
PRICE OF IT.

BY
A FELLOW OF UNIVERSITY COLLEGE,
OXFORD.

LONDON:
PRINTED FOR T. UNDERWOOD, 32, FLEET STREET;
By C. Roworth, Bell Yard, Temple Bar.

1815.

E S S A Y, &c.

1

THE chief object of this essay is the publication of a principle in political economy, which occurred to me some years ago; and which appears to me to solve many difficulties in the science, which I am at a loss otherwise to explain.

On reading lately the reports of the corn committees,¹ I found my opinion respecting the existence of this principle confirmed by many of the witnesses, whose evidence is there detailed. This circumstance and the importance of the principle to a correct understanding of many parts of the corn question, have induced me to hazard this publication before the meeting of parliament, though in a much less perfect shape than I think it would have assumed had I been less limited in point of time. I shall first proceed to prove this principle, and shall then shew some of the consequences which flow from it. ||

2

The principle is simply this, that in the progress of the improvement of cultivation the raising of rude produce becomes progressively more expensive, or, in other words, the ratio of the net produce of land to its gross produce is continually diminishing.

By the gross produce I mean, of course, the whole produce without any reference to the expense of production; by the net produce, that which remains of the gross produce after replacing the expense of production.

In the progress of cultivation both the gross produce and the net produce must be constantly increasing; for addi-

tional expense or capital would not be laid out on land, unless it would reproduce not only sufficient to replace the capital laid out, but also some increase or profit on that capital, which increase or profit is the net produce. But the proposition is, that every additional quantity of capital laid out produces a less proportionate return, and consequently, the larger the capital expended, the less the ratio of the profit to that capital. Thus suppose any quantity of land such that 100*l.* capital laid out on it would reproduce 120*l.* that is 20 per cent. profit, I say that a double capital viz. 200*l.* would not reproduce 240*l.* or 20 per cent. profit, but probably 3 230*l.* or some less sum than || 240*l.* The amount of the profit would no doubt be increased, but the ratio of it to the capital would be diminished.

It is a fact acknowledged by all writers on political economy, that in the progress of improvement of any country, the productive powers of labour in agriculture improve less rapidly than the productive powers of labour in manufactures; or rather to express the same proposition more accurately, the productive powers of labour in raising rude produce improve less rapidly than the effective powers of labour in manufacturing it. This phenomenon has hitherto been accounted for solely by the impossibility of carrying the subdivision of labour, and the consequent introduction of machinery, so far in agriculture as in manufactures. "The nature of agriculture," says the author of the Wealth of Nations, "does not admit of so many subdivisions of labour, nor of so complete a separation of one business from another, as manufactures. It is impossible to separate so entirely the business of the grazier from that of the corn farmer, as the trade of the carpenter is commonly separated from that of the smith. The spinner is almost always a distinct person from the weaver: but the ploughman, the harrower, the 4 sower of the seed, and the reaper of the || corn, are often the same. The occasions for those different sorts of labour returning with the different seasons of the year, it is impossible that one man should be constantly employed in any one of

them. This impossibility of making so complete and entire a separation of all the different branches of labour employed in agriculture, *is perhaps the reason why the improvement of the productive powers of labour in this art, does not always keep pace with their improvement in manufactures.* The most opulent nations, indeed, generally excel all their neighbours in agriculture as well as manufactures; but they are commonly more distinguished by their superiority in the latter than in the former. Their lands are in general better cultivated, and having more labour and expense bestowed upon them, produce more in proportion to the extent and natural fertility of the ground. But this superiority of produce is seldom *much more than in proportion to the superiority of labour and expense.* In agriculture, the labour of the rich country is not always much more productive than that of the poor, or at least, it is never so much more productive as it commonly is in manufactures. The corn of the rich country, therefore, will not always, in the same degree of goodness, come cheaper to market than that of the poor. || The corn of Poland, in the same 5 degree of goodness, is as cheap as that of France, notwithstanding the superior opulence and improvement of the latter country. The corn of France is, in the corn provinces, fully as good, and in most years nearly about the same price with the corn of England: though, in opulence and improvement, France is perhaps inferior to England. The corn lands of England, however, are better cultivated than those of France, and the corn lands of France are said to be much better cultivated than those of Poland. But though the poor country, notwithstanding the inferiority of its cultivation, can, in some measure, rival the rich in the cheapness and goodness of its corn, it can pretend to no such competition in its manufactures; at least, if those manufactures suit the soil, climate, and situation of the rich country.” *

The impossibility here stated of increasing so much in agriculture as in manufactures by the division of labour, and by

* Smith's Wealth of Nations, Vol. I. B. 1. c. 1. p. 10, 11.²

machinery, the quantity of work done by any given number of hands, would indisputably account for a retardation of the improvement of the former when compared with the latter.

6 But this, it || is necessary to observe, would account for a *comparative* retardation only; for the effects of the subdivision of labour and the application of machinery are considerable even in agriculture; and would greatly improve the productive powers of labour in that art as well as in manufactures, were it not for another principle, which has escaped the attention of Dr. Smith, and which has a *positive* operation in checking the improvement of those powers in agriculture; which principle may, according to the degree in which it acts, either merely retard, or altogether stop, such improvement; or even render the powers of labour actually less productive as cultivation advances.

Dr. Smith's principle is, that the quantity of work which can be done by the same number of hands, increases in the progress of improvement comparatively less rapidly in agriculture than in manufactures. The additional principle to which I allude is, that each equal additional quantity of work bestowed on agriculture, yields an actually diminished return,* || and of course if each equal additional quantity of work yields an actually diminished return, the whole of the work bestowed on agriculture in the progress of improvement, yields an actually diminished proportionate return. Whereas it is obvious that an equal quantity of work will always fabricate the same quantity of manufactures.

Lay aside for a moment the considerations of the subdivision of labour and machinery, and suppose that each workman independently could do as much work as each in association. In such a state of things, such manufactures as were made

* It will be observed that in this reasoning I measure the productive powers of labour by the effects produced, and not by the quantity of work done. Thus a good workman will do more work than a less skilful one; but if the work of the latter be bestowed on a grateful soil, it may produce a greater effect than the work of the former bestowed on an inferior soil.

would be constantly in the progress of improvement, made with equal labour, and the increase of their quantity (supposing the price of rude produce to be given,) would be exactly proportioned to the labour bestowed in fabricating them. A million of men would make neither more nor less in proportion to their number than one. But would this be the case in agriculture? Consider the case of a new colony; the first occupiers have their choice of the land, and of course cultivate the richest spots in the country: the next comers must take the second in quality, which will return less to their labour, and so each successive additional set of cultivators must necessarily produce less than their predecessors.

Again, look to the history of agriculture, from its first rude beginning, immediately after the pastoral state when almost the whole of the produce was still spontaneous, to the state of perfection at which it has arrived in this country, in which the mode of culture has approximated to gardening.

In the pastoral state, the only labour of the tribe is that of tending their cattle and driving them to fresh pastures from those which they have exhausted; the flocks multiply without trouble, and are maintained by the spontaneous produce of the soil. As population advances it is necessary to have recourse to agriculture; in this state somewhat more labour is necessary to support even the same number of mouths; but yet it is at first small if compared with the quantity of produce; the cultivators till successively the richest spots, which yield profuse returns to the slight cultivation which is bestowed upon them; and the cattle which share with man the labours of the field, wander over immense tracts, fed, as in the pastoral state, by the spontaneous productions of nature. As each cultivator is driven into a narrower compass by the pressure of population, he is obliged to till soils which are comparatively ungrateful and exhausted: the cattle are fed on artificial grasses; and expensive manures are brought from a distance to enable the land to yield successive crops, instead of being left, when exhausted, as in the earlier stages of improvement, to renovate itself. This mode of proof, however, to render it

complete, would require more space than the limits of this essay would allow, and a greater accumulation of facts than I can at present collect. I shall therefore attempt a briefer demonstration of the principle.

The additional work bestowed upon land must be expended either in bringing fresh land into cultivation, or in cultivating more highly that already in tillage. In every country the gradations between the richest land and the poorest, must be innumerable. The richest land, or that most conveniently situated for a market, or, in a word, that which, on account of its situation and quality combined, produces the largest return to the expense bestowed on it, will of course be cultivated first,* and when in the progress of improvement new land is brought into cultivation, recourse is necessarily had to poor land, or to that at least which is second in quality to what is already cultivated. It is clear that the additional work bestowed in this case will bring a less return than the work bestowed before. And the very fact that in the progress of society new land is brought into cultivation, proves that additional work cannot be bestowed with the same advantage as before on the old land. For 100 acres of the rich land will, of course, yield a larger return to the work of 10 men, than 100 acres of inferior land will do, and if this same rich land would continue to yield the same proportionate return to the work of 20 and 30 and 100 as it did to that of 10 labourers, the inferior land would never be cultivated at all. That this diminution of the return of the soil to the additional expense bestowed on it takes place *gradually*, may also be proved by the same reasoning.

The gradations of the quality of the soil must be infinite. Suppose any country to contain one million acres of land,

* Many various circumstances, arising chiefly from the artificial regulations of society, will doubtless interfere to disturb this natural progress of things; but though they may disturb the operation of the principle, a very little consideration will show that they cannot completely counteract it; and that even these disturbances very often compensate each other.

which return 20 per cent. net profit to a certain capital, say ten million bestowed on it; another million acres which returns but 19 per cent, or suppose a farm containing 10 acres, which return 20 per cent. net profit to 100*l.* bestowed on it, || 11 10 acres which return 19 per cent. to the same capital, and so on, as in the following table.

Acres.	Capital.	Net Profit.
10	100	20
10	100	19
10	100	18
10	100	17, &c.

The 10 acres returning 20 per cent. would be first cultivated, and we have proved that the same 10 acres would not return 20 per cent. on each successive 100*l.* bestowed on it; for if it did, as I have shewn, no part of the other land would ever be cultivated. But should the additional capital bestowed on the first 10 acres produce less than 19 per cent. the capital would not be bestowed on the first 10 acres but on the second 10 acres. Or, in short, generally, if the best land already in cultivation would not return so much to the additional capital as to the capital already bestowed on it, by any great difference, such additional capital would not be expended on the best land, but on that next in quality to the best, and which, from the infinite number of gradations of the quality of the soil, must be removed at the least possible distance from the best.

It appears, therefore, that in the progress of || improvement 12 an equal quantity of work extracts from the soil a gradually diminishing return; and that, therefore, the whole quantity of work bestowed on land in the progress of improvement, extracts from the soil a gradually diminishing proportionate return. (But the quantity of work which can be done by a given number of hands is increased in the progress of improvement, by means of the subdivision of labour and machinery even in agriculture.) Such increase then of the quantity of work which can be performed by the same number of

- hands in agriculture, may either more than compensate, or just compensate, or fall short of compensating the diminution of the return of the same quantity of work. In the first of which cases labour in agriculture would become absolutely more productive; in the second would remain always equally productive; in the last would become absolutely less productive. Thus say in any given stage of improvement ten hands will perform the same quantity of work as twenty would have performed at any given anterior period. Now if this same quantity of work will extract from the soil in the later period more than half what it would have extracted in the earlier, the same number of hands will produce more in
13 the latter than in the former || period; and labour in agriculture will, of course, have become absolutely more productive: if the same quantity of work will extract just half in the latter period of what it did in the former, labour will be equally productive; if less than half it will have become absolutely less productive. Now that neither of the two first suppositions can be the fact will be clear from a moment's consideration. If either of them were the fact, as we know that labour becomes actually more productive in manufactures, the wealth and stock of the community in the progress of improvement and population would go on, not only increasing, but increasing in a rapidly accelerated ratio. The reproduction of the country would not only each year be larger in amount than in the preceding year, but the ratio of that reproduction to the capital would each year be greater. Population would double with more ease in such a country in twenty-five years than it does in America in the same period; and an acre of land would, in a subsequent stage of improvement, more easily maintain a thousand, or any number of labourers, however great, than it could one in a former stage.
- But let us, notwithstanding, suppose that the first of these
14 three hypotheses were the || fact, namely, that labour in agriculture becomes in the progress of improvement absolutely more productive; and let us consider more minutely what would be the immediate consequence of such a state of things,

and as labour in manufactures we have already seen, becomes in the progress of improvement more productive, let us suppose the effective powers of labour in all employments, both in raising rude produce and in manufacturing it to be doubled. It is obvious that the profits of stock would, in this case, be doubled; even allowing the wages of labour to be doubled at the same time; for by the productive powers of labour being doubled the net produce of labour would be doubled as well as the gross produce. There would be just twice as much of every article both of rude produce and manufactures as before. And, though no article would exchange for more of any other than before, yet, as every person in the community would have twice as much of the particular article in which he might deal, his command over every article would be doubled. If there were only the same quantity of money in the country as before, things would fall to half their money price, and neither the money profits of stock nor the money wages of labour would at first be increased, || but by the favourable exchange, which such increased cheapness of commodities would produce, bullion would be imported till there were money enough to circulate the increased quantity of articles, and the wages of labour, and profits of stock, would then be increased in their money value 15 as well as their real value.

But next let us suppose a case in which the powers of labour remain equally productive in agriculture, having become doubly effective in manufactures. Every article of manufactures is now reduced one-half in price compared with rude produce, but bears the same ratio towards all the rest of manufactures as before, and consequently exchanges for neither more nor less of such manufactures than before. But every manufacturing capitalist having doubled the production of the particular article in which he deals, has double the command over all manufactures, and the same command over rude produce that he had before. His real profit is therefore increased. The agriculturist has also double the command of all manufactures that he had before, and the

same command of rude produce. The real profits therefore of all capital are increased, and this would be followed as before by an increase in the money profits.

- 16 The same reasoning would apply of course || to the above cases, if the effective powers of labour were increased in any less degree than I have supposed, though the increase of profit would not of course be so great. The difference would be merely in degree, not in principle. It follows therefore that if the powers of labour in agriculture were either to advance or remain stationary, the profits of stock must constantly rise in the progress of improvement.

But suppose thirdly, that the productive powers of labour decrease in agriculture, whilst they increase in manufactures; and say the habits and wants of the society and the powers of labour are such, that half of the capital of the country is employed in agriculture and half in manufactures.

And first suppose that whilst the powers of labour double in manufactures, those powers become less productive by half in agriculture:—the manufacturing capitalist would now have double the command that he had before over manufactures; but only half the command that he had before over rude produce: and therefore on the whole he would have no additional command over the aggregate of commodities, and his profit would remain the same as before. The same would be the case also with the agriculturist. If this supposition

- 17 then were || the fact, the profits of stock would always continue the same in the progress of improvement.

And without tracing the same process again, it is evident that if the decrease of the powers of labour in agriculture should be greater than the increase of those powers in manufactures, the profits of stock must diminish. But to consider the case of a diminution of the powers of labour in agriculture, accompanying an increase of those powers in manufactures in a different light:—Suppose that the habits and wants of the people of any country are such in any given state of the productive powers of labour, that half their capital is employed in agriculture and half in manufactures. Suppose

then that in the progress of improvement the capital in manufactures becomes more productive, the capital in agriculture less so. If the capital which can now be spared from manufactures on account of the increase of the effective powers in them, will raise as much rude produce as to compensate for the diminution of the productive powers in agriculture, the profits of the stock of the society will remain the same as before. But if the spare manufacturing capital will not compensate the defective powers of production in agriculture, the profits of the stock of the society must diminish. But which of these conclusions is || really the fact? Do the profits 18 of stock increase, remain stationary, or decrease in the progress of improvement?

It is an acknowledged fact that the profits of stock are always lower in a rich than in a poor country; and that they gradually fall as a nation becomes more wealthy. This is evidenced as well by our own history as by that of every other country, in which the state and progress of commercial capital have been observed.—(See Wealth of Nations, Book I. c. 9.) It follows therefore that labour cannot be always equally productive in agriculture in the progress of improvement; and, a fortiori, that the productive powers of labour cannot increase, but that they must become gradually less productive in the progress of improvement. And not only less productive, but so much less productive that the continual increase of the effective powers of labour in manufactures does not compensate for their continued diminution in agriculture. For if it were not so, the profits of stock would, as I have just proved, become continually higher in the progress of improvement. In the above argument I have supposed the wages of labour to vary with the productive powers of that labour; that is, that the more labour produces the better it will be paid. That this is nearly the || case, I 19 shall prove presently; but it will be sufficient for the present to shew that it is impossible wholly to account for the progressive diminution of the profits of stock by any increase of the wages of labour. And for this purpose I shall briefly

recapitulate the above argument. (It is a known fact, as I have stated, that the profits of stock diminish in the progress of wealth and improvement, but the profits of stock are the net reproduction of stock, which can be diminished in two ways only, namely, either by a diminution of the powers of production, or by an increase of the expense of maintaining those powers, that is, by an increase of the real wages of labour. That the real wages of labour cannot increase so as to account for this diminution of the net reproduction, is clear from this, that if it were so, the real wages of labour would be constantly and greatly increasing in the progress of wealth and improvement; and population would consequently increase more and more rapidly in the progress of improvement, the contrary of which we know to be the fact.

As therefore the diminution of the net reproduction is not wholly, at least, caused by the increasing wages of labour, that is, the expence of maintaining the productive powers; it must be caused partly, at least, by a diminution of those powers. But the productive powers in manufactures, as has been shewn, are constantly increasing, and the diminution of the net reproduction or the profits of stock must therefore necessarily be caused by a diminution of the productive powers in agriculture. But though it appears to me to be self-evident that the profits of stock or the net reproduction of stock cannot be diminished by any other means than the two I have mentioned, namely, an increased expence of maintaining the productive powers, and a diminution of those powers, yet it may be right to notice that Dr. Smith has attributed the fact of the gradual diminution of the profits of stock to a very different cause.

"The increase," says Dr. Smith, "of stock which raises wages tends to lower profit. When the stocks of many rich merchants are turned into the same trade, their *mutual competition* naturally tends to lower its profit, and when there is a like increase of stock in all the different trades carried on in the same society, the same competition must produce the same effect in them all." Book I. c. viii.³ p. 133.

Smith therefore attributes this decline in the rate of profit to increased competition. But the slightest consideration will detect the fallacy of this opinion. If the capital employed || in one branch of trade alone be increased, doubtless 21 the increased competition of the dealers in that branch will lower the price of their articles, and consequently the profits of those dealers. But why is the price lowered except because that article is now more abundant than others, and could not be sold without such diminution of price. But if the capital in all the different branches of trade, and consequently the quantity of all the articles of those respective trades be increased in the same degree, the same ratio between each and all the rest remains, and each article must sell for the same *real* price as it fetched before. If the competition be increased in any one article, it for the same reason is increased in all; and as it exists in the same degree in each, it cannot alter the real price of any one. It is only the relative alteration of the demand and supply which can increase the price, and here there is no such alteration.

The money price of all articles would no doubt be diminished, and therefore the money-profits of stock; but this would not lower the real price of those articles, nor the real profits; even the money price would soon be raised to a level with the real price, by a favourable balance of trade and the consequent introduction of bullion. Still, however, it may be said as || before, that such competition may lower the profits 22 by an increased demand for workmen, and a consequent rise of wages.

We return then to the old question, whether the diminution of the profits of stock in the progress of improvement can be caused by the increase of the wages of labour. Now, 1st, If such were the fact, how comes it that both the wages of labour and profits of stock are high at the same moment in America. The wages of labour being higher in America than in this country, if the rise of the wages of labour were the only reason of the diminution of the profits of stock, the profits of

stock in America should be lower than they are here. But we know that they are much higher.

To enter a little more particularly into the subject of the wages of labour, they, like the price of every thing else, must depend on the supply and demand. The supply of course depends on the amount of the population; the demand depends, as Dr. Smith states, on the amount of the stock of the country.* If then || the stock increase faster than the population, the demand increases faster than the supply, and wages must rise; if the stock and population increase equally, wages will remain stationary; and if population increase more rapidly than the stock, wages must fall.

It is not the amount then of the stock of a country which causes high wages;† for if the stock of a country be stationary, whatever be its amount, population will soon increase up to the most scanty subsistence which such stock can afford. Other circumstances beside the amount of stock may, no doubt, influence the wages of labour; but I am now considering merely what effect the quantity of stock may have on the wages of labour; and other circumstances must of course be excluded from consideration, or taken in mathematical language to be given.

Nor is it the greatness of the increase alone of stock which causes high wages, but it is the greatness of the ratio of the increase.

Thus suppose a country with 100 millions increasing its stock annually to the amount of a million, the increase would be as 1 to 100; and the increase of the wages of labour would be but $\frac{1}{100}$. ||

* The demand of those who live by wages necessarily increases with the increase of the revenue and stock of every country, and cannot possibly increase without it. The increase of revenue and stock is the increase of national wealth. The demand for those who live by wages therefore naturally increases with the increase of national wealth, and cannot possibly increase without it. B. 1. c. 8.

† W. of Nations, B. 1. c. 8.

But suppose a country with stock amounting to 10 millions, and an annual increase of half a million, though the actual increase of stock would be smaller than in the last case, the increase in the wages of labour would be a half-tenth or one-twentieth. But it must be observed, that supposing a country to be always equally parsimonious, it is upon the rate of profit that the rate of the increase of its stock depends: for the profits of stock are, as I have before mentioned, the net reproduction of stock, and the greater therefore the profits of stock, if the country be equally parsimonious, the greater the rate of the increase of stock.

And it follows that in such a country the greater the profits of stock, the higher will be the wages of labour, and vice versa.

That the demand for labour would be greatest when most could be made of it, that is, when the profits of stock were high, and least when those profits were low, appears too plain to have required proving, and I should not have dwelt on this subject had not Dr. Smith, in spite of his clear statement of the subject of wages in the 8th chapter, seemed to maintain an opposite opinion. "The rise and fall in the profits of stock," says Dr. Smith, "depend on the same causes with the rise and fall in the wages of labour, the increasing or || declining state of the wealth of the society, but those causes effect the one and the other very differently. The increase of stock which raises wages tends to lower profit."—Book I. c. 9. p. 133. Dr. Smith seems therefore, here to think that the profits of stock and wages of labour vary inversely as each other, the contrary of which I think I have proved to be the fact.

I will now recapitulate shortly the whole of the above arguments.

The division of labour and application of machinery render labour more and more productive in manufactures, in the progress of improvement; the same causes *tend* also to make labour more and more productive in agriculture in the progress of improvement. But another cause, namely, the necessity of having recourse to land inferior to that already in

tillage, or of cultivating the same land more expensively, tends to make labour in agriculture less productive in the progress of improvement. And the latter cause more than counteracts the effects of machinery and the division of labour in agriculture; because, otherwise agricultural labour would either become more productive, or remain equally productive, in the progress of improvement.

- 26 In either of which cases, since labour in || manufactures becomes more productive, all labour would become more productive, and the profits of stock, which are the net reproduction, would, of course, rise in the progress of improvement. But the profits of stock are known to fall in the progress of improvement, and, therefore, neither of the two first suppositions is the fact, and labour in agriculture must, in the progress of improvement, become actually less productive. It is then shewn that this effect cannot be produced by a rise in the real wages of labour.

The powers of labour therefore, in agriculture, becoming less productive, and the diminished expense of maintaining those powers not compensating such decreased productiveness, which appears from the progressive fall of the profits of stock, the whole produce of land, and consequently the net produce, must diminish in proportion to the expense of production; and the ratio of the net produce to the gross must diminish in the progress of improvement.

- I have endeavoured, therefore, to prove the principle which it was my object to prove theoretically, and to account for it as I proceeded in the proof. But I need not this reasoning for the purpose of substantiating the fact, that the ratio of
27 the net produce to the || gross produce of land gradually diminishes in the progress of improvement.

Smith has stated, and certainly correctly, that the natural rent of land is always that part of the net produce of land which remains after payment of the common profits of stock on the tenant's capital.—Book I. c. 11. p. 223.

If then the ratio of the rent of land to the tenant's capital be gradually diminishing in the progress of improvement, the

profits of stock remaining the same, the ratio of the net produce to the capital, and consequently to the gross produce of land, must also be gradually diminishing in the progress of improvement. A fortiori must this follow, if, as it has been stated, the profits of stock also gradually diminish in the progress of improvement.

Now it is a commonly observed fact, and one which appears in almost every page of the Reports of the corn committees, that the ratio of the rent to the gross produce is much less at the present moment in this country than it was twenty years ago, that where twenty years ago rent was one-third of the gross produce, it is now one-fifth, or between one-fourth and one-fifth. This, it may be said, is attributable to the increased burthens on the land, to the poor rates and taxes. It is certainly possible || that this may have had some effect 28 in producing this alteration of ratio between the rent and gross produce. However be this as it may, the witnesses who speak to this fact of the ratio of the rent to the gross produce having declined, attribute it expressly to the more expensive mode of cultivation now adopted in order to increase the produce, and not to the taxes or rates. Thus in p. 41, of the Lords' Report, the witness says, that, "where estates are *in a very high cultivation*, the share of the gross produce obtained as rent by the landlord is less than where estates are more imperfectly cultivated." And this is the language of *all the witnesses before the corn committees; they are unanimous in their opinion that where lands are in a high state of cultivation the rent bears a less ratio to the gross produce than where they are less expensively tilled.

Dr. Smith seems in one passage to have been aware of this fact of the diminution of the ratio of the rent to the gross produce in the progress of improvement.

"In the present state of Europe," says he, "the share of

* See p. 41. 57. 63. 94. 103. 130 of the Lords' Reports.—In p. 44. 79. 92. 99. 111. 121. 133. 154. 203 of the Commons' Reports, A. D. 1814.⁵

- 29 the landlord seldom exceeds a $\frac{1}{3}$ third, sometimes not a fourth part of the whole produce of the land. The rent of land, however, in all the improved parts of the country has been tripled and quadrupled since those ancient times, and this third or fourth part of the annual produce is, it seems, three or four times greater than the whole had been before. In the progress of improvement, rent, *though it increases in proportion to the extent, diminishes in proportion to the produce of the land.*" (See Smith, vol. ii. p. 8. b. 2. c. 3.)

- It is singular that after this distinct enunciation of the fact of the diminution of the rent in proportion to the gross produce, that the author of the Wealth of Nations should not only not have seen the conclusion to which this leads by a mere arithmetical operation, viz. that of the diminution of the net produce of land to the gross produce, but that in other parts of his work he should even lose sight of this fact of the diminution of the ratio of the rent to the gross produce of land. "The extension of improvement and cultivation," says Dr. Smith in one passage, "tends to raise rent directly. The landlord's share of the produce necessarily increases with the increase of the produce. That rise in the real price
- 30 of those parts of the rude produce of land, which is \parallel first the effect of extended improvement and cultivation, and afterwards the cause of their being still further extended; the rise in the price of cattle, for example, tends too to raise the rent of land directly, and in a still greater proportion. The real value of the landlord's share, his real command of the labour of other people, not only rises with the real value of the produce, but the *proportion of his share to the whole produce rises with it.*" (Smith, vol. i. p. 392. b. 1. c. 11.)

And the 11th chapter of the first book abounds with passages in which the fact that the ratio of the rent of land to the gross produce diminishes in the progress of improvement, is overlooked.

I have, therefore, attempted to prove as well theoretically as by the evidence of practical men, that the ratio of the net produce of land to its gross produce diminishes in the progress

of improvement. I could adduce a variety of facts in corroboration of my proof had I leisure to go into them. There is one, however, which seems to me so unequivocal a test of my principle, that I shall just mention without entering into the discussion of it. It is the progressive rise of the value of tithes as compared with rent.



I shall now apply this principle to a consideration of the question of the policy of restricting, or totally prohibiting, in the present circumstances of this country, the importation of foreign corn; and shall first briefly sketch some of the consequences of such restriction or total prohibition, and then point out a few of the probable effects of a free importation. One of the consequences of a total prohibition of importation would be that the average price of corn would presently rise to its growing, or natural price, supposing corn to be now below that price, and afterwards the average price would progressively increase, and the nearer any restriction approaches to prohibition, the more nearly will the effect of such restriction resemble that of a total prohibition. Take 90s. the quarter to be the growing price in this country of a crop of wheat sufficient for our present population, if importation were totally prohibited the average price of wheat would presently rise to 90s. the quarter. So if by any system of regulations the importation of foreign wheat were directly or virtually prohibited, till wheat in our own market had reached the price of 80s. the quarter, the average price of wheat would presently rise to 80s.; and 80s. would be the minimum of price at which wheat could be sold in our market, for any continuance. ||

The following reasons induce me to think that 90s. the quarter may be about the growing price of a crop of wheat raised at home, sufficient for our present supply. It appears from the documents given in the reports of the corn committees, that in the years 1811 and 1812 our home growth was about adequate to our consumption.

According to Sir H. Parnell's statement, which I have compared with these documents, and believe to be accurate, "the value of corn exported in 1811 from the united kingdom to foreign countries, was 1,379,714*l.*—The value of foreign corn imported was 1,092,804*l.* leaving a balance of exported corn of 286,910*l.* In 1812 the value of corn exported from the united kingdom to foreign countries was 1,498,229*l.*: the value of foreign corn imported was 1,213,850*l.* leaving a balance of exported corn of 284,379*l.* In consequence of the fire at the Custom-House the value of corn exported from Great Britain in 1813 to foreign countries cannot be ascertained." * In the years 1811 and 1812, therefore, we grew rather more corn than sufficient for our own supply; but when it is considered that from Ireland alone, grain to the
 33 value of 598,325*l.* in 1811, and to the || value of 662,823*l.* in 1812, was exported to Spain and Portugal, a great portion of which was of course for the maintenance of our own troops, who must now be fed at home, it will be fair, perhaps, to consider that in those years we about supported our population.

It appears from the same documents that the actual price of wheat in the year 1811 was 94*s.* 6*d.* the quarter; in 1812, 125*s.* 5*d.* †

The actual price is not of course a sure criterion of the growing price, unless it be taken on an average of some length. But considering that the price of wheat in this country was, in

	<i>s. d.</i>
1810	- - 106 0 the quarter.
1811	- - 94 6
1812	- - 125 5
and in 1813	- - 120 0

though we make every allowance for the extension of the present improved system of husbandry into Ireland, and

* P. 12 of Sir H. Parnell's pamphlet.^{*}

† See 1st Commons Reports, App. No. 1, p. 28. The Windsor prices of the four first years are higher than those above stated.

those parts of this country into which it has not yet penetrated, it is impossible to take the growing price of a crop of wheat sufficient for our own supply at less than 90s. the quarter, in the present state || of the currency. And of course it cannot³⁴ fall permanently below its growing price, for otherwise it would not remunerate the grower, and the same quantity would not continue to be produced. But to make provision for an increasing population, it will be necessary to increase the produce, and this increased produce will, as I have shown, be raised at a greater proportionate expense; or in other words, the growing price will progressively increase. Such would be the consequence of a total prohibition of importation; and the same reasoning proves that if the importation of foreign wheat were permitted only whilst our own wheat were above for instance 80s. the quarter, the average price of wheat in our markets would never fall below 80s. the quarter. For it is the competition of the foreigner alone which could keep down wheat even to 80s. and when that competition were withdrawn, as it must be as soon as the price fell below 80s. our price would again rise as far as that competition would permit, viz. to 80s. the quarter.

But it has been denied that the price of corn would rise were importation prohibited.

Sir Henry Parnell (in p. 12 of his pamphlet) says, "the effect of the war, but more particularly of the Berlin and Milan Decrees, and of our own Orders in Council, has been to im- || pose such restrictions on the importation of foreign corn during the last five years, as had the direct operation of an act of parliament imposing very high duties on that trade, by giving the British farmer the full benefit of nearly the whole demand of the British market. In the first place a very high price; in the next place a very great increased production of corn; and in the last place *a very great fall in the price of it.*"

And from this he argues (p. 43) "that in the next year, as the farmer will have the full benefit of the whole of the demand for our consumption, he will probably grow as much

as he has grown of late years; and, therefore, if the crop is a good one, the price will keep as low as it now is. In the following years, the certainty of a steady market will lead to a superfluous supply, and then the price will still be lower. *It will thus become gradually lower and lower until it shall be on a level with the rest of Europe;* and that we shall be able to secure permanently a superfluous growth of corn, by being able to export it, and sell it as cheap as foreign corn can be sold in the foreign market.”

Now I deny that there has been any fall in the price of
36 corn, as stated by Sir H. Parnell. ||

	s. d. per qr.
In 1808 the average price of wheat was 79 0 }	
1809..... 95 7	
1810..... 106 2	App. No. 1 of Com-
1811..... 94 6	mons 1st Report, p. 28.
1812..... 125 5	
In 1813..... 120 0	Windsor prices, App. of Lords Rep. No. 12, p. 327.

How this can be called a fall in price, much less a very great fall, I am at a loss to conceive, even allowing for any possible additional depreciation of our currency.

It is true that Sir H. Parnell states, “that the price of wheat (p. 42) for the average of the twelve maritime districts of England and Wales the week ending the 21st of May, 1814, was 67s. 11d. If this price is in any degree a price that has been regulated by the importation of foreign wheat, to that degree the bill for restraining importation would advance it. But this price is a price settled by the quantity of our own wheat in the market, and on hand in the country; and therefore, the bill cannot advance it. The fact is, the abundance of our own corn alone has brought down the price to its present level; and this is so great, that there is every reason to suppose that it will fall still lower, even if 37 the bill shall become a law.” ||

Now how can it possibly be proved or known for a fact, that the abundance of our own corn alone has brought down the price to the level mentioned by Sir H. Parnell?

On the contrary is it not notorious that the expectations of importation, if not actual importation, had at that time considerably reduced the price of wheat?

The witness in p. 26 of the last Commons Rep. thus answers questions put to him.

Question.—“Do you not conceive that the present low price of grain is wholly occasioned by the abundant crop of last harvest, and not in consequence of any expectation of foreign import?”—“Certainly not; it is the alarm of the importation from abroad.”

“Are you aware of any large importation of foreign corn?”
—“There is an expectation of it.”

“Are you aware whether any foreign corn has been imported?”—“No; I do not allude to any particular quantity lately imported; but the farmers are very much alarmed, and of course bring every bushel to market.”

With respect to Sir H. Parnell’s opinion that corn will become lower and lower, it is good for nothing, unless he can show that the expenses of cultivation will fall, as of course the || actual price cannot permanently fall unless the 38 growing or natural price fall.

That rude produce does rise in the progress of improvement, experience as well as theory demonstrates. That this rise too in the price of rude produce is followed by a rise in the wages of labour, and communicates itself, more or less to all manufactures, chiefly of course to those in which rude produce predominates most, and in a less degree to those manufactures of a finer kind in which rude produce bears but a small proportion to the skill of the artist, is also evident. 1st, Looking to our own country, corn has been constantly rising in price since the middle of the last century. This phenomenon of the rise in the price of corn has been constantly observed in all improving countries. 2dly, England in an early stage of improvement exported corn in exchange for manufactures, as Poland and America do at the present moment. Our wealth and population increased, and as far as the circumstances of Europe and our own laws per-

mitted, we imported corn in exchange for our manufactures; so did Holland and Genoa in the time of their wealth. Such is the course in which improving nations seem destined to move. They begin by exporting rude produce for manufactures; as they grow more wealthy || they export less corn, and fabricate more manufactures at home; in a further stage they export manufactures only, and receive rude produce in return from nations less advanced than themselves, and these manufactures gradually change in kind, containing less and less of rude material, and more and more of manufacturing skill. The price of every thing increases rapidly, and the profits of stock fall so low, as I have shown they must do, from the enhanced price of rude produce, that at last even the capital of the merchant, and next of the manufacturer, seeks a more grateful soil.

It is not a little singular that this rise of the real price of corn in the progress of improvement has escaped the attention of the author of the Wealth of Nations, though he expressly states, "that all other sorts of rude produce, *except corn and such other vegetables as are raised altogether by human industry*, naturally grow dearer as the society advances in wealth and improvement." B. 1. c. 11. p. 339. In another passage he says, "In every state of society, in every stage of improvement, corn is the production of human industry. But the average product of every sort of industry is always suited more or less exactly to the average consumption: the average supply to the average demand. In every different stage of im- || provement, besides, the raising of equal quantities of corn in the same soil and climate, will, at an average, require nearly equal quantities of labour; or, what comes to the same thing, the price of nearly equal quantities; the continual increase of the productive powers of labour in an improved state of cultivation, being more or less counterbalanced by the continual increasing price of cattle, the principal instruments of agriculture. Upon all these accounts, therefore, we may rest assured, that equal quantities of corn will, in every state of society, in every stage

of improvement, more nearly represent, or be equivalent to, equal quantities of labour, than equal quantities of any other part of the rude produce of land." B. 1. c. 11. p. 292. and see B. 1. c. 11. p. 382.

Dr. Smith takes notice of what he seems to think a vulgar error, that the price of corn is always lower in a poor country than in a rich.

"The greater part of the writers who have collected the money prices of things in ancient times, seem to have considered the *low money price of corn*, and of goods in general, or, in other words, the high value of gold and silver, as a proof, not only of the scarcity of those metals, but of the poverty and barbarism of the country at the time when it took place, &c." B. 1. c. 11. p. 375. But in this same passage || 41 he allows that the low money price of cattle, poultry, &c. is a proof of the poverty of a country. Mr. Hume takes notice of the fact of the increase of the price of provisions and labour, in an improving country, and assigns a very insufficient reason for it, viz. the increase of the quantity of money.

"There seems to be a happy concurrence of causes in human affairs, which check the growth of trade and riches, and hinder them from being confined intirely to one people, as might naturally at first be dreaded from the advantages of an established commerce.—Where one nation has got the start of another in trade, 'tis very difficult for the latter to regain the ground it has lost, because of the superior industry and skill of the former, and the greater stocks of which its merchants are possessed, and which enable them to trade for so much smaller profits. But these advantages are compensated, in some measure, by the low price of labour in every nation which has not an extensive commerce, and does not very much abound in gold and silver. Manufactures, therefore, gradually shift their places, leaving those countries and provinces which they have already enriched, and flying to others, whither they are allured by the cheapness of provisions and labour, till they have || enriched these also, and 42 are again banished by the same causes. And, in general, we

may observe, that the dearness of every thing, from plenty of money, is a disadvantage which attends an established commerce, and sets bounds to it in every country, by enabling the poorer states to undersell the richer in all foreign markets." (Hume, vol. 1. Part 2. Essay 3. pp. 312 and 313.)*

The only means of retarding this necessary progress of things is by importing rude produce from countries where we can buy it cheaper than we can grow it at home.

By such means we might, to a very great degree, unite the advantages of a fresh country, and of one highly improved. By these means we might purchase our rude produce cheap, and manufacture it cheap; but if we refuse to import our rude produce, we must daily approximate to that state which Hume has so strongly described. Great question has been made of the truth of the fact, which is noticed by Dr. Smith, that any rise in the price of corn communicates itself to every other commodity. It is immaterial here to enter into the question whether Dr. Smith meant real or nominal price. The rise in the real price of any thing which immediately and fully communicates itself to every other article || seems, indeed, a contradiction in terms; because the real price of any article is its value in exchange for every other: but if the rise in price of any one be immediately and fully communicated to every other, the rise is merely nominal, as that article can now purchase no more of any other article than before. It is sufficient for my present purpose, if it be true, that by any increase of expense in obtaining rude produce the whole wealth and comfort of the community is diminished, the command of each individual over all the necessities and luxuries, both domestic and foreign, lessened.* That such must be the consequence of the increasing expense

* If all the commodities in a society, except money, were diminished in equal proportion, the real price, i. e. their value in exchange for each other would remain the same. If the money were diminished in the same proportion, their nominal price would also remain the same, yet in each case it is obvious that a large portion of wealth would be lost to the society.

of raising rude produce is obvious to the slightest consideration. The larger the capital required to raise the rude produce of a country, the less in proportion can, of course, be spared for its manufactures.

“Throughout the whole world the number of manufacturers, of proprietors, and of persons || engaged in the various 44 civil and military professions must be exactly proportioned to the surplus or net produce of the earth, and cannot in the nature of things increase beyond it. If the earth had been so niggardly of her produce as to oblige all her inhabitants to labour for it, no manufacturers or idle persons could ever have existed.” Malthus, b. 3. c. 8. p. 309.⁹ Suppose a country insulated from all others and containing one million inhabitants, the soil of which is such that half the number are sufficient to raise food for the whole; and suppose the other half to be employed in fabricating manufactures for themselves and for the agricultural labourers. Suppose now that this million of inhabitants increases to two million; if from the increased difficulty of raising food for the two million inhabitants it becomes necessary to employ two-thirds of them in providing subsistence for the whole, there is now but one-third of the whole left to administer to the other wants of the society, and if the effective powers of labour in manufactures be not increased, and that in a degree sufficient to compensate for the greater proportion of the labour of the whole community which is now required for agriculture, the revenue and comforts of the whole community must be diminished. But suppose now this country to || open a com- 45 munication with a neighbouring country which had not carried its skill in manufactures so far, but grew its corn much cheaper, so that the former, by turning a part of her hands from agriculture to manufactures, could make as many manufactures as would purchase twice as much corn from the new country as those hands had before raised. The consequence would, of course be, that the former country could draw another portion of her hands from agriculture to man-

ufacture for herself, and the real wealth of the whole community would be increased.

I come now to the consideration of some of the consequences of a free importation of foreign corn; and, first I shall consider its effects upon our own agriculture; and I will assume that the growing price of foreign wheat is such that it can be imported into this country and sold in our markets at a price as low even as 45s. the quarter, in the present state of the currency. Taking, as I have before done, the present growing price of our wheat to be 90s. the quarter, it would appear to be impossible for our farmers to bear this unequal competition.

It would appear to cursory observation that the whole of our agriculture would, in time, be superseded. And such 46 would inevitably be || the case if our expenses of cultivation should not diminish as our growth diminished, nor the expenses of foreign growth increase as their produce increased. The constant difference of 45s. the quarter would necessarily induce the foreigner to increase his growth, and compel the home grower to diminish his, till the former had completely expelled the latter from the market.

But there are limits to this dependance of any country on foreigners for an article of the first necessity; and these limits are to be found in the principle which I have stated. That principle will shew that in such case, as the growth of the foreigner increased the proportionate expense of his growth would increase,* and as the home growth was diminished, the proportionate expense of the home growth would also be diminished, since a larger growth is raised in any given country, at a larger proportionate expense than a smaller growth. Say that the first year of importation we import half a million quarters; the next year the foreign

* It is indifferent for the present purpose whether this increase of the price of the foreign supply would proceed, as it partly would, from an increased expense of growth, or as it would also partly from the necessity of drawing it from more distant regions.

grower, in order to meet the || increased demand for foreign 47 corn, will increase his growth, say half a million quarters, and the foreign growing price will rise, say from 45 to 50s. the quarter. The home grower will diminish his growth half a million quarters, and the home growing price will fall, say from 90 to 80s. the quarter. The actual price of both in the market must meet and be at some point between 50 and 80s. say at 65s. This price is still such as to induce the foreigner to increase his cultivation, and the home grower to diminish his. In consequence the foreigner's growing price will be still further increased, and the home grower's still more diminished, say to 60s. the quarter, and say that the actual price in our market falls to 60s. Both the home grower and the foreigner are now just paid the natural price of their produce, and there is no longer any motive to the one to increase his cultivation, nor to the other to diminish his. I have not pretended here to approximate to the degrees in which the prices would rise and fall, nor to the point at which the growing prices of home wheat and foreign wheat would meet. The process would be slower, and therefore less violent than I have supposed. All I mean to assert is, that the growing price of the former would fall, and the growing price of the latter rise, till they met || at some point 48 between the original prices of each. This point would, of course, be much nearer the present growing price of the foreign than of the domestic growth, as the effect of the importation divided among many foreign markets would be less to each than the effect of the importation operating on our single market. It is remarkable how differently the circumstance of a similar disparity of price would affect manufactures. Suppose the foreigner could manufacture broad cloth and sell it in our market at half the price at which we could afford to sell it; the home manufacturer, as in agriculture, would immediately diminish his manufacture, the foreigner would increase his; but the more the home manufacturer diminished his manufacture, the greater would be the proportionate expense or natural price of it; the more the for-

eigner increased his, the less would be the natural price of his manufacture, upon the principle that the larger the concern in any manufacture the further can the subdivision of labour and application of machinery be carried.—See W. of N. B. 1. c. 3.

Next I shall consider the effects of a free importation of corn upon rents. Supposing the proportionate expenses of 49 raising rude produce to remain the same, whatever were the amount of that produce; there would be ground indeed for the alarm of landlords. For it would appear, as has been frequently stated, that in such case the farmer could not afford to pay any rent at all. Thus suppose 100 acres of land tilled for wheat let at a calculation of the price of wheat at 90*s.* the quarter; and suppose the capital laid out on such land to amount to 1000*l.*, take the rent at 300*l.* a-year, the profits of the capital must be 10 per cent. i. e. 100*l.* a-year. The whole produce of this land must therefore be 1400*l.* Suppose now wheat to fall, as it has fallen, one-third, i. e. to 60*s.* the quarter. The produce of the land would now be only two-thirds of 1400*l.* that is about 932*l.* and it is obvious that the farmer, so far from being able to pay any rent, would not even reproduce his capital laid out, and no diminution of his capital would give him any profit, but would merely diminish his loss.

But our principle will shew that by a diminution of the capital laid out by the farmer, he will be enabled both to reproduce his capital with the common profits of stock on that capital, and also a rent not very much, perhaps, below that which he paid before.

It is the diminishing rate of return upon additional portions of capital bestowed upon land that regulates, and almost solely causes, rent. 50

If capital might be expended indefinitely with the same advantage upon land, the produce would, of course, be unlimited; and this would have the same effect upon rent as an unlimited quantity of land convenient for cultivation. In either case the rent would be very small. But it is the neces-

sity of having recourse to inferior land, and of bestowing capital with diminished advantage on land already in tillage which increases rent. Thus, if in case of any increased demand for corn, capital could be laid out to the same advantage as before, the growing price of the increased quantity would be the same as before, and competition would, of course, soon reduce the actual price to the growing price, and there could be no increase of rent. But on any increased demand for corn, the capital I have shewn which is laid out to meet this increased demand is laid out to less advantage. The growing price, therefore, of the additional quantity wanted is increased, and the actual price of that quantity must also be increased. But the corn that is raised at the least expense will, of course, sell for the same price as that raised at the greatest, and consequently the price of all corn is raised || by the increased demand. But the farmer gets 51 only the common profits of stock on his growth, which is afforded even on that corn which is raised at the greatest expense; all the additional profit, therefore, on that part of the produce which is raised at a less expense, goes to the landlord in the shape of rent.

Thus suppose 10 acres of land which will return 20 per cent. on a given capital, say 100*l.*; 10 acres which will return 19 per cent. and so on, as in the following table.

Acres.	Capital.	Net Produce.
10	100	20
10	100	19
10	100	18, &c.
10	100	11
10	100	10

Supposing the profits of stock to be 10 per cent. the last ten acres could not be taken at any rent for the purpose of cultivation, but might be cultivated by the owner of the land, or might afford a rent if left as pasture. The 10 acres which afford 11 per cent. would, after paying the profits on the tenant's capital, pay one per cent. as rent, and as the

corn which was raised on the 10 best acres would sell for the same price as that raised on the 10 worst, such land 52 would pay to the landlord 10*l.* as || rent, the next 10 acres 9*l.*, and so on. Suppose now the price of corn to rise, and the profit on the last 10 acres to be increased in consequence from 10*l.* to 11*l.* it is evident that the ten acres which before could, in cultivation, just pay the profits of stock, would now afford a rent, and might be brought into cultivation, and that the rent would be raised on all land. For the same reason, if the price of corn were to fall so as to reduce the profit on the last 10 acres one per cent. some land would be withdrawn from cultivation, and the rent of that land which remained in cultivation would be lowered. But we know that a rise in the price of corn has the effect not only of drawing fresh land into cultivation, but also of turning fresh capital on land before in cultivation; and that a permanent fall in the price would have the effect, not only of withdrawing land from tillage, but also the effect of withdrawing part of the capital from land which might be still kept in tillage and cultivated in a less expensive manner. But if you take the 10 acres of land I before mentioned, which return at the given price 20 per cent., it would seem impossible for any diminution of price under a diminution of one-half to draw capital from such land; for if the price of corn were to fall so low as even to 53 reduce the profit to 11 || per cent., still it might be worth while to lay out the same capital, as it would yield one per cent. more than capital in any other employment, which one per cent. would be the rent.

This difficulty is explicable on our principle alone. The truth is, that any land which returns 20 per cent. on 100*l.*, must, as I have shewn, return more on a lesser capital than 100*l.*, and consequently must return more on the first portion of 100*l.* laid out on it than on the latter portion of it, and would consequently produce the return somewhat in this way, the first 10*l.* might reproduce 40 per cent. net produce; the second 10*l.* 30 per cent. and so on, and the last layer of capital would not produce more than 10 per cent., as the farmer

would, of course, lay on as much capital as would reproduce him the common profits of stock, which are supposed to be 10 per cent.

The rent of the landlord would then still, as before, be all that was made on the whole capital above what the last or least profitable portion of that capital produced; and in the same manner as before, if the price of corn increased so as to make that portion of capital which before produced 10 per cent. now produce 11 per cent. another portion of capital would be laid on. And in the same manner, if the price of corn were to fall so as to reduce || the profits on the last portion of capital from 10 to 9 per cent. that portion would be withdrawn. In case, then, of any fall in the price of corn, that portion of the capital which before afforded the smallest profit will be withdrawn, and that only will be left which continues to yield an adequate return, and the effect of such reduction of price on rent will be nearly as follows:

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Suppose again the case of land let on the calculation of the price of wheat at 90s. the quarter, the rent 300*l.* a-year, the tenant's capital amounting to 1000*l.* and his profit on that capital to be 100*l.* a-year, the produce is, as before, 1400*l.* Now, after the reduction of wheat to 60*s.*, if the tenant retained the same capital on the land, he would not, as I shewed, reproduce even his capital, much less be able to pay any rent.

But suppose now on this fall of price he diminishes his capital to 800*l.*

Since he made on his whole capital of 1000*l.* before the reduction of price 400*l.* i. e. 40 per cent. he must have made more than 40 per cent. upon the first 800*l.* and even after the reduction of price, he may make 40 per cent. on the 800*l.* that is, 320*l.* of which his own share, as profit, will be 80*l.* leaving to the landlord 240*l.* as rent.||

55

Thus upon this supposition, a fall in the price of corn of $\frac{1}{3}$, would reduce rents but $\frac{1}{3}$. The reader will perceive that there are many considerations, such as taxes, poor rates, and the distress of individuals, arising from a rapid shifting

of capital from one employment to another, which I have not taken into the account in this essay, and therefore I have not pretended to strike the balance of the arguments for and against some restriction of importation; it appears to me, however, that the principle which it has been my object to explain will shew it to be highly impolitic to fix the price below which importation is to be checked at a high point. Those other considerations would demand a much longer inquiry; upon the whole, I am inclined to think, that it would be reasonable to grant to the agriculturist, for the present, such protection as would keep up the price of corn to 70*s.*, or at the most 75*s.* the quarter.



OBSERVATIONS

56

ON THE

BOUNTY of 1688.

ANOTHER object of this publication is to shew the fallacy of the arguments of those who have maintained, that the bounty on the exportation of corn granted by the legislature in 1688, rendered that article cheap.

A refutation of this, as I conceive, erroneous doctrine is important, not only because such doctrine weakens our reliance upon the truth of the general rule of political economy, that all artificial regulations in commerce are injurious; a rule which must frequently be the only guide, even of the best informed, when treading a new ground in the science; but because such doctrine has been used as a defence of paradoxical opinions on the subject of the proposed corn bill.

I originally took up the subject of the bounty on the exportation of corn, without any preconceived opinion as to its merits; but merely because it forms one of the most prominent features in the 1st report of the committee of the House of Commons, and in Mr. || Malthus's,¹⁰ Lord Lauderdale's,¹¹ 57 and Sir H. Parnell's¹² pamphlets. Of course, as the first step, I examined the facts from which it had been inferred that the bounty had lowered the price of corn, and was not a little surprised to find that the facts do not at all support that doctrine. This I trust I shall make appear to the reader.

But before I enter into an examination of the facts, I must observe, that the principle which I have stated would shew of itself, that if the bounty had any operation at all in increasing our growth, it must have raised the price in the home market above what it would otherwise have been; for

that principle shews that a larger growth is raised at a greater proportionate expense than a smaller.

It may be necessary to premise for the information of those who may not have given much attention to the subject of the corn laws, that in 1688 a bounty of 5s. a quarter was granted by the legislature on the exportation of corn, whilst it was at or under 48s. the quarter; that this bounty was suspended for a single year three or four times, between 1688 and 1765; that in 1765 it was suspended for a year; and that this suspension was annually renewed till 1773, when the bounty
58 was ultimately abolished. ||

Mr. Charles Smith, the author of the Corn Tracts, frequently mentioned in the Wealth of Nations, was, as far as I am informed, the first writer who maintained that the bounty on exportation had the effect of reducing the price of corn. His opinion has been adopted by many later writers, but with, as I shall presently prove, much less shew of reason than that author had, considering the facts which have subsequently occurred. One of the passages in which Mr. C. Smith expresses this doctrine is as follows.

“The bounty was first given on the exportation of grain in the year 1689,* now seventy years since, during which period grain hath in general been from fifteen to twenty per cent. cheaper than for forty years before that time, which is a good proof of the utility of the law by which it is ordered to be given, and which is further proved, in that since its first establishment the parliament have not thought fit to suspend it either in part, or the whole, only four times, viz. in 1698, 1709, 1740, and 1757, which last suspension is still in force, and to continue to Christmas next.”

“That corn has been as much cheaper since the bounties
59 took place as before men- || tioned, is so notorious, that the prices thereof to which the bounties are payable by law, which when first established were thought moderate, and under which the then parliament thought the farmer could

* This was written in January, 1759.

not afford to grow it, are now thought very dear, and long before corn is sold at those prices at which the bounties are to cease of course, we have of late heard clamours for taking the bounty off and stopping the exportation." *

There can be no doubt that the average price of corn for a period of several years, during the existence of the bounty on exportation, was lower than at any period of the same length before or since.

But that this low price of corn cannot with any fairness be attributed to the bounty, will appear from an examination of the tables of the prices for a considerable period before the grant of the bounty, and during its continuance, and after its abolition. It will be found that the average price of corn for ten years

		£	s.	d.	Average of 20 Years.
From 1649 to 1658	was	2	7	0	£2 6 10
From 1659 to 1668	was	2	6	8	
From 1669 to 1678	was	2	3	4	2 0 10
From 1679 to 1688	was	1	18	4	
From 1689 to 1698	was	2	7	0	60
From 1699 to 1708	was	1	13	9	2 0 4
From 1709 to 1718	was	2	7	5	2 1 10
From 1719 to 1728	was	1	16	3	
From 1729 to 1738	was	1	12	7	1 12 0
From 1739 to 1748	was	1	11	9	

It appears therefore that the price of corn had uniformly declined during thirty years before the grant of the bounty. For the ten years immediately after the grant of the bounty it rose considerably, the next ten years fell again, and then for the subsequent ten rose again much higher than it had been before the grant of the bounty. And if you take the fall in price for thirty years before the bounty it will be

* Smith's Corn Tracts, p. 99.¹³

found greater than that which took place even for sixty years after it, and not only greater in amount but greater in proportion. For the price of corn fell, in thirty years, before the bounty, from 2*l.* 7*s.* to 1*l.* 18*s.* 4*d.*, that is 8*s.* 8*d.* But the price of corn even in the lowest ten years after the bounty (from 1739 to 1748) was 1*l.* 11*s.* 9*d.* which from 1*l.* 18*s.* 4*d.* is a fall of but 6*s.* 7*d.*

- 61 I cannot conceive any state of facts which || would lead more directly than these to a conclusion the very opposite to that which the advocates of the bounty have drawn from them. A consideration of the subsequent rise of price after its greatest depression in 1743 and 1744 will equally shew that as a grant of the bounty was not the cause of the low price of corn, neither was the repeal of it the cause of the high price.* It will be found that the average price of corn for ten years

	£. s. d.
From 1744 { to 1753 }	was 1 11 9
From 1754 { to 1763 }	was 1 16 4
From 1764 { to 1773 }	was 2 9 7 Bounty repealed.
From 1774 { to 1783 }	was 2 5 1
From 1784 { to 1793 }	was 2 10 11

- It appears therefore that the price of corn began to rise twenty years before the repeal of the bounty, that for ten years after the repeal instead of continuing to rise it rather fell, and then began again to rise, but not near so rapidly as
- 62 it had done before the repeal of the bounty. ||

If instead of the years I have selected the average be taken from any other point the result will be similar. Thus, take the ten cheapest years, and then periods of ten years on each side. The cheapest period in all our annals was from

* Surely it was not very bold, as Mr. Malthus asserts of Dr. Smith, to deny the influence of the bounty in reducing the price of corn. . (See *Essay on Population*,¹⁴ vol. ii, p. 240.)

1742 to 51. And it will be found that the price regularly sinks as it approaches to, and ascends as it recedes from this period. Thus the average of ten years

	£. s. d.
From 1702 } to 1711 }	was 1 19 10
From 1712 } to 1721 }	was 1 18 0
From 1722 } to 1731 }	was 1 16 10
From 1732 } to 1741 }	was 1 14 4
From 1742 } to 1751 }	was 1 9 4—Lowest.
From 1752 } to 1761 }	was 1 17 0
From 1762 } to 1771 }	was 2 4 10
From 1772 } to 1781 }	was 2 9 0
From 1782 } to 1791 }	was 2 10 0

For more than twenty years then before the recal of the bounty, (1773,) the price of corn had begun to rise. It is clearly right to take || for this purpose the date of the total abolition of the bounty, not the time (1765) at which the annual suspension began, as the epoch of the recall, (though Sir H. Parnell contends the contrary.) The annual suspension could not have destroyed the effect of the bounty, being merely on account of the actual high price and temporary, so that the growers would look forward to the renewal of the bounty, when it could be of any service to them, namely, when prices were low, and must have had the same encouragement from it as before. I may notice here, that if any allowance of time is to be made for the bounty to come into operation after it was granted, an equal allowance should be made for it to cease to operate after its repeal. For if the farmers could not immediately adapt themselves to the new state of things when the bounty was granted, they would probably require the same space of time to adapt their proceedings to the repeal of the bounty. It is proper, however,

to observe that the price of corn really began to rise from the year 1744, which an examination of the tables will prove. The rise, therefore, commenced twenty-nine years before the repeal of the bounty, and twenty-one years before the annual suspension. In fact, the low price of corn was the cause of the
 64 grant of the bounty, and it was || so expressed by the legislature. The year 1687 was a cheaper year than any in our records, except the years 1743 and 1744;—(the average price of the quarter of corn for the year 1687 was 1*l.* 2*s.* 4½*d.*; in the years 1743 and 44 it was two-pence cheaper.) In 1688 the act which granted the bounty on the exportation of corn was passed. And the preamble runs that, “Forasmuch as it has been found by experience that the exportation of corn and grain into foreign parts, when the *price thereof is at a low rate* in this kingdom, has been a great advantage not only to the owners of land, but to the trade of this kingdom in general: Be it therefore,” &c.

It is well known by all who are conversant with the history of that period, that it was the high price of corn, in 1773, which raised a clamour against the bounty, and induced the legislature to repeal it;* so that in each case the price of corn was the cause of legislative interference, and not the effect. Corn was cheap, and exportation was naturally not only allowed but encouraged; corn became dear, and exportation was as naturally prohibited, yet, because the cheapness continued under that encouragement, and the dearness was not removed by the prohibition, it has been argued
 65 that the || encouragement to export was the cause of the cheapness, and the prohibition of exportation the cause of the dearness.

Mr. Malthus has put the argument in favour of the bounty in another shape, supposing it had the effect of steadyng the price of corn, and of lowering it on the whole by keeping it down in scarce years, though he allows it may have raised

* See Smith's Corn Tracts, *passim*.

it in plentiful years. See Malthus's Essay on Pop. pp. 239, 240, &c. and 259. 261.¹⁵

Let us inquire then whether the price of corn fluctuated more during the period of the bounty than at any other. In order to ascertain the average degree of variation in different periods of 20 years, I have taken the average price of the ten dearest years, and the average price of the ten cheapest years, in several different periods of twenty years; and have set down the ratios of the higher prices to the lower. And if the dearest and cheapest single years in any twenty be taken, the ratio will be found nearly the same:

Ratio.	Variation.	
From 1649 to 1668 as 29 to 17 as 170 : 100	170	
— 1669 — 1688 — 23 — 17 — 135 : 100	135	
— 1689 — 1708 — 25 — 14 — 178 : 100	178	
— 1709 — 1728 — 24 — 17 — 141 : 100	141	
— 1729 — 1748 — 18 — 13 — 138 : 100	138	
— 1749 — 1768 — 22 — 16 — 137 : 100	137	
— 1769 — 1788 — 26 — 21 — 123 : 100	123	66

It appears that the variations in the price of corn in the twenty years immediately preceding the grant of the bounty, and in the twenty years immediately after the repeal of the bounty, were much less than during any period of twenty years during the existence of the bounty. I have made the calculation in different ways, and can venture to assert, also, that the variation, during any period of moderate length, since the alteration of the corn laws, in 1773 till 1794, has been much less than during any period of the same length while the bounty was in force.

FINIS. ||

APPENDIX.

*Prices of Wheat per Quarter at Windsor Market.**

YEARS.	Prices of Wheat, reduced to the Winchester Bushel of 8 Gallons.			YEARS.	Prices of Wheat, reduced to the Winchester Bushel of 8 Gallons.		
	£.	s.	d.		£.	s.	d.
1646	2	2	8	1676	1	13	9 $\frac{1}{4}$
1647	3	5	5 $\frac{1}{4}$	1677	1	17	4
1648	3	15	6 $\frac{1}{4}$	1678	2	12	5 $\frac{1}{4}$
1649	3	11	1 $\frac{1}{4}$	1679	2	13	4
1650	3	8	1 $\frac{1}{4}$	1680	2	0	0
1651	3	5	2 $\frac{1}{4}$	1681	2	1	5 $\frac{1}{4}$
1652	2	4	0	1682	1	19	1 $\frac{1}{4}$
1653	1	11	6 $\frac{1}{4}$	1683	1	15	6 $\frac{1}{4}$
1654	1	3	1 $\frac{1}{4}$	1684	1	19	1 $\frac{1}{4}$
1655	1	9	7 $\frac{1}{2}$	1685	2	1	5 $\frac{1}{4}$
1656	1	18	2 $\frac{1}{4}$	1686	1	10	2 $\frac{1}{2}$
1657	2	1	5 $\frac{1}{4}$	1687	1	2	4 $\frac{1}{2}$
1658	2	17	9 $\frac{1}{4}$	1688	2	0	10 $\frac{3}{4}$
1659	2	18	8	1689	1	6	8
1660	2	10	2 $\frac{1}{4}$	1690	1	10	9 $\frac{1}{4}$
1661	3	2	2 $\frac{1}{4}$	1691	1	10	2 $\frac{1}{4}$
1662	3	5	9 $\frac{1}{4}$	1692	2	1	5 $\frac{1}{4}$
1663	2	10	8	1693	3	0	1 $\frac{1}{4}$
1664	1	16	0	1694	2	16	10 $\frac{5}{4}$
1665	2	3	10 $\frac{1}{4}$	1695	2	7	1 $\frac{1}{4}$
1666	1	12	0	1696	3	3	1 $\frac{1}{4}$
1667	1	12	0	1697	2	13	4
1668	1	15	6 $\frac{1}{4}$	1698	3	0	9
1669	1	19	5	1699	2	16	10 $\frac{5}{4}$
1670	1	17	0 $\frac{1}{2}$	1700	1	15	6 $\frac{1}{4}$
1671	1	17	4	1701	1	13	5 $\frac{1}{4}$
1672	1	16	5 $\frac{1}{4}$	1702	1	6	2 $\frac{1}{4}$
1673	2	1	5 $\frac{1}{4}$	1703	1	12	0
1674	3	1	0 $\frac{1}{2}$	1704	2	1	4
1675	2	17	5 $\frac{1}{4}$	1705	1	6	8

* These are the Prices of Mealing Wheat; which is understood, at Eton College, to be of a middling Quality.

YEARS.	Prices of Wheat, reduced to the Winchester Bushel of 8 Gallons.			YEARS.	Prices of Wheat, reduced to the Winchester Bushel of 8 Gallons.		
	£.	s.	d.		£.	s.	d.
1706	1	3	1½	1746	1	14	8
1707	1	5	4	1747	1	10	11½
1708	1	16	10½	1748	1	12	10½
1709	3	9	9½	1749	1	12	10½
1710	3	9	4	1750	1	8	10½
1711	2	8	0	1751	1	14	2½
1712	2	1	2½	1752	1	17	2½
1713	2	5	4	1753	1	19	8½
1714	2	4	9	1754	1	10	9½
1715	1	18	2½	1755	1	10	1
1716	2	2	8	1756	2	0	1½
1717	2	0	7½	1757	2	13	4
1718	1	14	6½	1758	2	4	5½
1719	1	11	1½	1759	1	15	3
1720	1	12	10½	1760	1	12	5½
1721	1	13	4	1761	1	6	9½
1722	1	12	0	1762	1	14	8
1723	1	10	10½	1763	1	16	1½
1724	1	12	10½	1764	2	1	5½
1725	2	3	1½	1765	2	8	0
1726	2	0	10½	1766	2	3	1½
1727	1	17	4	1767	2	17	4
1728	2	8	5½	1768	2	13	9½
1729	2	1	7½	1769	2	0	7
1730	1	12	5½	1770	2	3	6½
1731	1	9	2½	1771	2	10	8
1732	1	3	8½	1772	2	18	8
1733	1	5	2½	1773	2	19	1½
1734	1	14	6½	1774	2	15	1½
1735	1	18	2½	1775	2	11	3½
1736	1	15	10½	1776	2	2	8
1737	1	13	9½	1777	2	8	10½
1738	1	11	6½	1778	2	4	0
1739	1	14	2½	1779	1	16	1½
1740	2	5	1½	1780	2	3	1½
1741	2	1	5½	1781	2	12	5½
1742	1	10	2½	1782	2	13	9½
1743	1	2	1	1783	2	14	2½
1744	1	2	1	1784	2	13	9½
1745	1	4	5½	1785	2	8	0

YEARS.	Prices of Wheat, reduced to the Winchester Bushel of 8 Gallons.	YEARS.	Prices of Wheat, reduced to the Winchester Bushel of 8 Gallons.
	£. s. d.		£. s. d.
1786	2 2 2½	1800	6 7 0
1787	2 5 9½	1801	6 8 6
1788	2 9 4	1802	3 7 2
1789	2 16 1½	1803	3 0 0
1790	2 16 1½	1804	3 9 6
1791	2 9 4	1805	4 8 0
1792*	2 13 0	1806	4 3 0
1793	2 15 8	1807	3 18 0
1794	2 14 0	1808	3 19 2
1795	4 1 6	1809	5 6 0
1796	4 0 2	1810	5 12 0
1797	3 2 0	1811	5 8 0
1798	2 14 0	1812	6 8 0
1799	3 15 8	1813	6 0 0

* From this year, inclusive, the account at Eton College has been kept according to the Bushel of Eight Gallons, under the provisions of the Act of 31 G. 3. c. 30. sect. 82.

NOTES

¹ (page 9) (a) "Report from the Select Committee on Petitions relating to the Corn Laws of this Kingdom; together with the Minutes of Evidence, and an Appendix of Accounts. Ordered, by The House of Commons, to be printed, 26 July, 1814."

(b) "Reports respecting Grain, and the Corn Laws: viz: First and Second Reports from the Lords Committees, appointed to enquire into the state of the growth, commerce, and consumption of grain, and all laws relating thereto;—to whom were referred the several petitions, presented to the House this session, respecting the Corn Laws.—25 July, 1814. Communicated by The Lords, 23d November, 1814. Ordered, by The House of Commons, to be printed, 23 November, 1814."

² (page 11) The text of the "Wealth of Nations" used and cited by West is apparently that of the ninth edition (3 vol. 8°. London, 1809); the "new edition" (3 vol. 8°), issued by Cadell and Davies in 1812, corresponds in pagination, in the main, with the ninth. This, as other citations from and references to Adam Smith's work in West's text, contains minor inaccuracies, notably an unwarranted use of italics.

³ (page 20) The passage actually occurs in the second paragraph of chapter ix.

⁴ (page 22) In the original text an asterisk is used.

⁵ (page 25) See note 1, above.

⁶ (page 28) "The Substance of the Speeches of Sir H. Parnell, Bart. in the House of Commons with additional observations on the corn laws" (London, 1814). This, as well as subsequent citations, contains minor typographical inaccuracies.

⁷ (page 32) The passage is quoted loosely.

⁸ (page 34) "Essays and Treatises on Several Subjects. In two volumes. By David Hume, Esq.; Vol. 1, Containing Essays, Moral, Political, and Literary. A new edition" (London, 1764).

⁹ (page 35) "An Essay on the Principle of Population; or, a view of its past and present effects on human happiness; with an inquiry into our prospects respecting the future removal or mitigation of the evils which it occasions" (2 vol. 3rd. edit. London, 1806). West's page reference to Malthus's text is incorrect, the passage actually occurring on pp. 208-209.

¹⁰ (page 43) "Observations on the Effects of the Corn Laws, and of a rise or fall in the price of corn on the agriculture and general wealth of the country" (London, 1815).

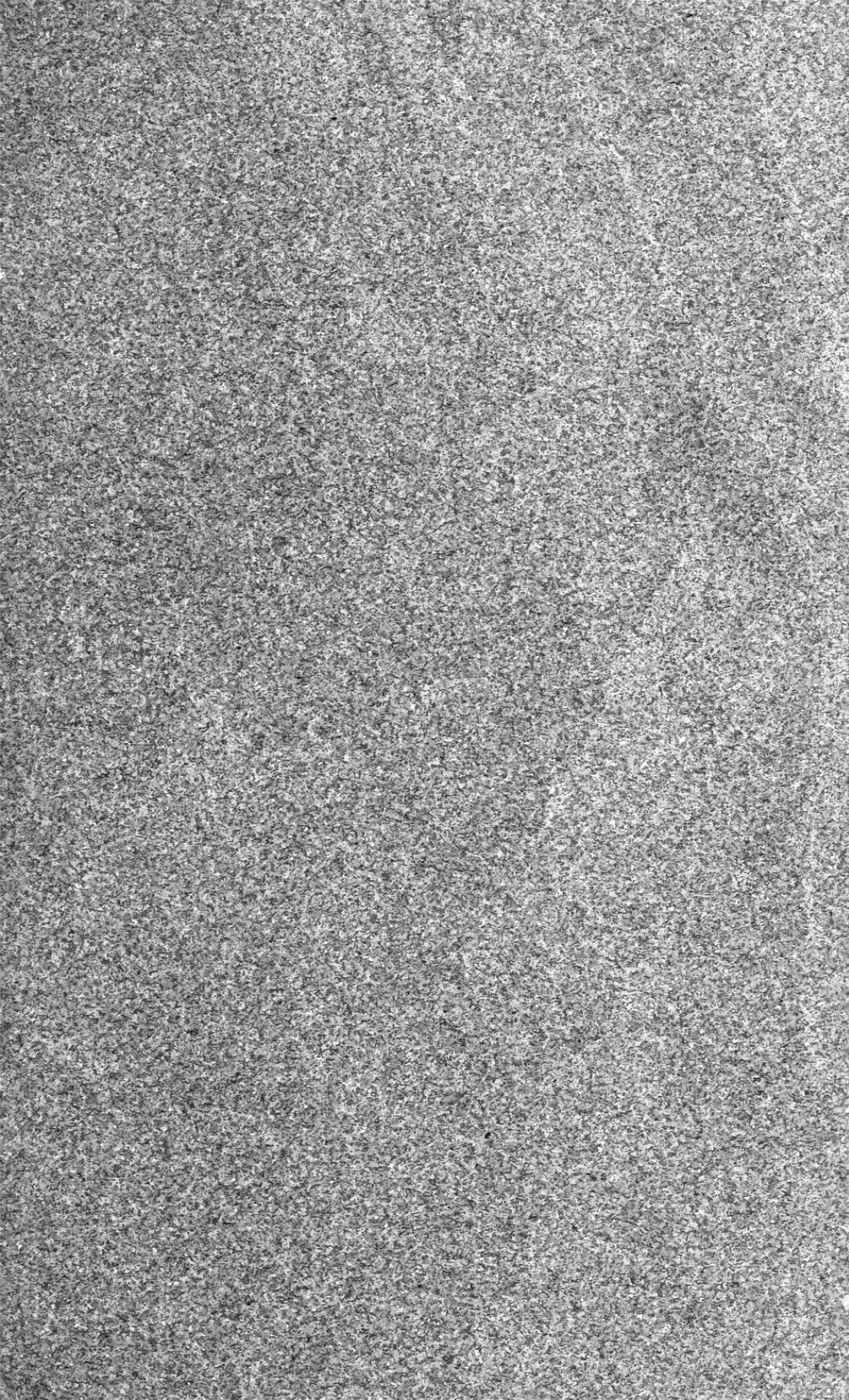
¹¹ (page 43) "A Letter on the Corn Laws" (London, 1814).

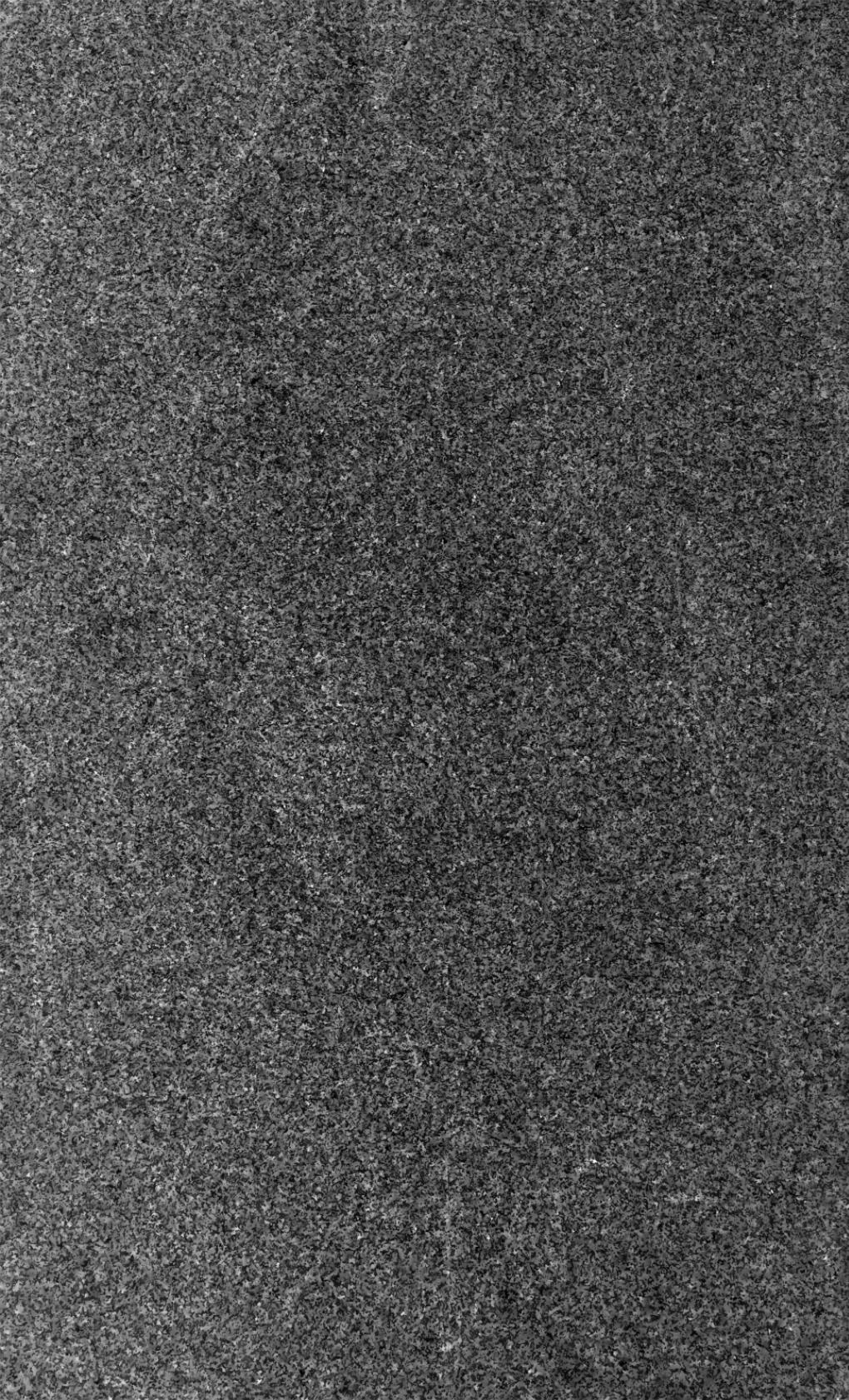
¹² (page 43) See note 6, above.

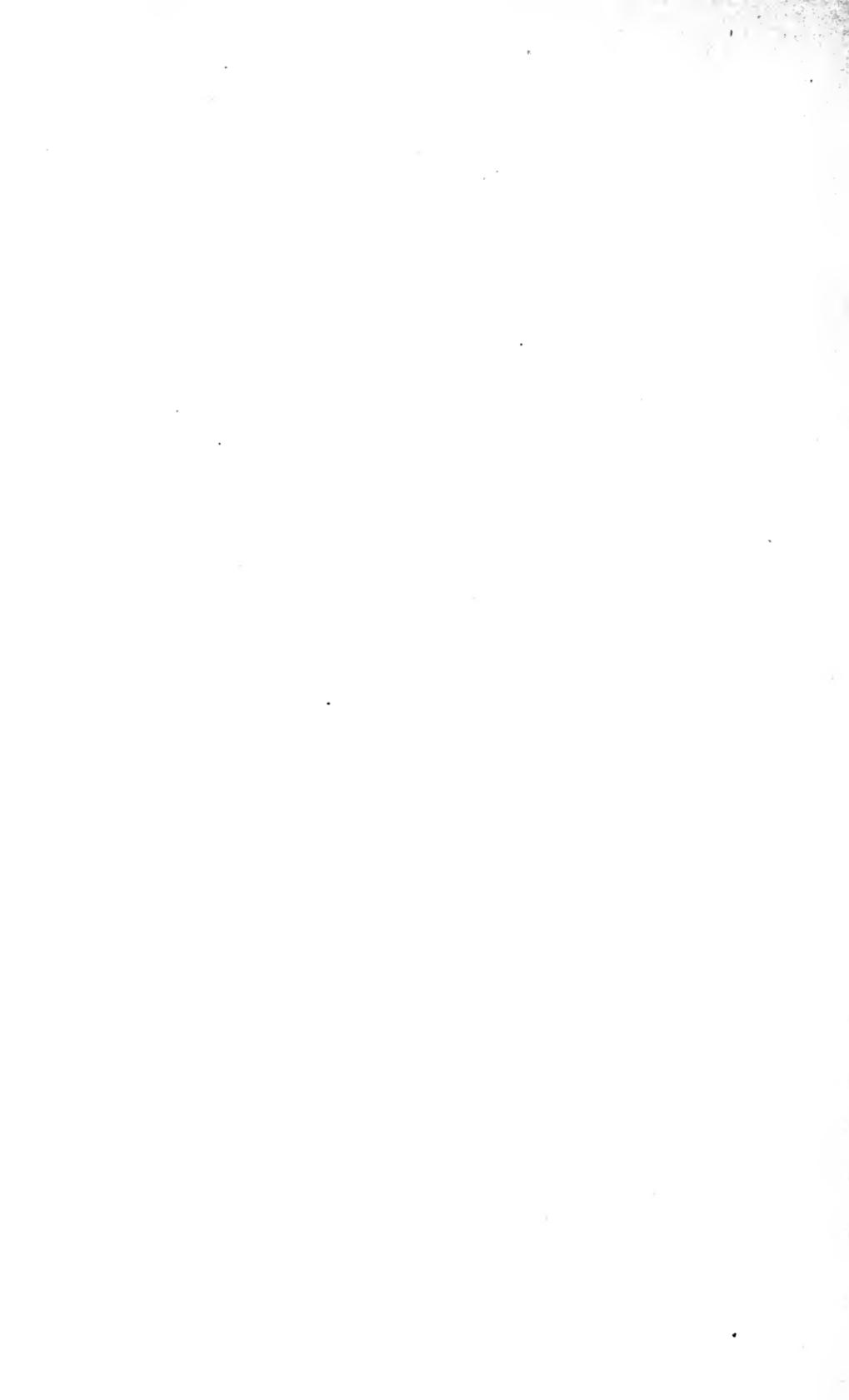
¹³ (page 45) "Tracts on the Corn Trade and Corn-Laws. By Charles Smith, Esq. A new edition. With additions from the marginal manuscripts of Mr. Catherwood. To which is now added a supplement of interesting pieces on the same subject. With some account of the life of Mr. Smith" (London, 1804).

¹⁴ (page 46) See note 9, above.

¹⁵ (page 49) See note 9, above.







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